

## Message Text

PAGE 01 STATE 312656  
ORIGIN EA-09

INFO OCT-01 EUR-12 ISO-00 NSCE-00 NSC-05 SIG-02 PM-04  
INR-07 PA-02 PRS-01 /043 R

DRAFTED BY EA/P:STAFF:VC  
APPROVED BY EA/P:MSMITH  
DESIRED DISTRIBUTION  
NSC ELECTRONICALLY FOR MR. GLEYSTEN  
-----292248Z 024254 /60

R 291905Z DEC 76  
FM SECSTATE WASHDC  
TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS  
AMEMBASSY MOSCOW  
INFO CINCPAC  
COGARD  
GOVGUAM  
TREASURY

UNCLAS STATE 312656

E.O. 11652: N/A

TAGS: PFOR, XC, US

SUBJECT: DECEMBER 29 EA PRESS SUMMARY

### 1. CHINA

PRC TUES ADDED MORE DETAILS TO GROWING CATALOGUE ACCUSATIONS AGAINST "GANG OF FOUR." EXCERPTS FROM SHANGHAI OFFICIAL WANG YI-PING'S SPEECH DESCRIBED HOW GROUP COMPLETELY CONTROLLED CITY, PLANNING PIT MILITIA AGAINST PLA AND "FRAMED UP" CHOU EN-LAI AND OTHERS WHO OPPOSED THEM (REUTER PEKING 12/28).

HUA TOLD AGRIC CONFERENCE THAT JULY DEATH/DESTRUCTION IN UNCLASSIFIED

PAGE 02 STATE 312656

EARTHQUAKE WHICH DEVASTATED TANGSHAN WAS ON SCALE "RARELY SEEN IN HISTORY" (REUTER PEKING 12/28).

NYT RUNS NCNA PHOTO OF DELEGATES TO PEKING AGRIC CONFERENCE CHEERING HUA'S ADDRESS.

AP (TOKYO) REPORTS HIGH CHINESE OFFICIAL CHEN YI-SUNG TOLD KYODO THAT TENG HSIAO-PING, LIVING IN PEKING, WAS OBSERVED TELLING CROWD AT RESTAURANT, "LET'S CONTINUE THE ANTI-TENG

CRITICISM." CHEN SAID, "I SUPPOSE TENG'S ACTION" AT RESTAURANT "CLEARLY SHOWED HIS FIRM BELIEF IN HIS POLICY LINE. BUT I DON'T THINK HE WILL COME BACK SOON" (SUN).

## 2. PHILIPPINES

IN DETROIT TUES, FEDERAL JUDGE REFUSED DISMISS 10 POISONING COUNTS AGAINST 2 FILIPINA NURSES ACCUSED OF MURDERING 5 VA HOSPITAL PATIENTS LAST YEAR (AP, SUN).

## 3. JAPAN

MIN LABOR SURVEY SHOWS YR-END BONUSES PAID BY PRIVATE INDUSTRY THIS YR WERE 10.5 PERCENT HIGHER THAN LAST YR. PM'S OFFICE SAYS NET MONTHLY INCOME OF JAPANESE SALARIED WORKER HOUSEHOLDS ROSE 2.8 PERCENT IN OCT 76 OVER OCT 75 (UPI, JOC).

NEW FUKUDA CABINET EXPECTED TAKE STEPS EARLY JAN 77 TO FINALIZE PLANS TO SETTLE BEEF IMPORT CONTROVERSY W/AUSTRALIA (JOC COMMODITY NEWS SERVICE).

INCREASE SEEN IN US COTTON EXPORTS JAPAN. JAPAN EXPECTED IMPORT BETWEEN 3.35-3.6 MILL BALES COTTON DURING 76-77 SEASON, W/ABOUT MILL COMING FROM US (JOC COMMODITY NEWS SERVICE).

TOYOTA PLANS HIKE SALES 7.7 PERCENT IN 1977, TO 2.67 MILL UNCLASSIFIED

PAGE 03 STATE 312656

UNITS--1.17 MILL UNITS INTENDED FOR EXPORT SALE US/OTHER COUNTRIES (UPI, JOC).

MAZDA CAR MAKER TOYO KOGYO CO POSTS PROFIT FOR OCT 31 YR AFTER FY 75 LOSS (WSJ).

MATSUSHITA ELECTRIC CORP OF AMERICA AGREES TO FTC ORDER BARRING MISLEADING ADS RE COLOR TV SETS/OTHER CONSUMER PRODUCTS (WSJ).

SECTION 4 SUN'S SEIDEN SERIES ABOUT JAPAN OUTLINES HISTORY/CURRENT STATUS OKINAWA, CITING CONSIDERABLE DIFFERENCES REMAINING BETWEEN ISLAND AND "MAINLAND" JAPAN (SUN).

## 4. INDOCHINA

THANAT KHOMAN SAYS INTELL REPORTS SHOW SOVS BUILDING MISSILE SILOS IN THE MOUNTAINS OF LAOS WHICH COULD BE DIRECTED NORTH TO CHINA OR "SOUTH." DOS AND DOD SPOKESMEN SAID THEY KNEW NOTHING OF THE REPORTS AND HAD NO COMMENT. WESTERN ANALYSTS IN BANGKOK HAVE BEEN AWARE OF STORIES FOR SOME TIME AND ARE SKEPTICAL (AP IN WSTAR; WP; SUN; CSM; PHINQ; NYT).

WP REPORTS, WITH STORY AND 3-COLUMN PIX, THAI COURT SENTENCES TWO AMCITS TO LIFE AND 30 YR TERMS FOR HEROIN SMUGGLING (BSUN HAS PIX).

5. KOREA

WP'S SAAR (IN SEOUL) VIEWS FORMIN PARK TUES STATEMENT RE SK INFLUENCE-PEDDLING AS "UNEXPECTEDLY CONCILIATORY," HELPING SMOOTH OVER US/ROK "PROBLEM." SAYS PARK STATEMENT MORE REMARKABLE FOR OMISSIONS THAN FOR CONTENTS. OMISSIONS INCLUDE ANY INDICATIONS TO SK PEOPLE OF SERIOUSNESS ALLEGATIONS VS ROKG OR DETERIORATION US/ROK RELATIONS, FACT THAT UNCLASSIFIED

PAGE 04 STATE 312656

SCANDAL UNDER INVESTIGATION BY JUSTICE DEPT/HOUSE ETHICS CMTE, AND IDENTIFICATION KIN SANG KEUN W/KCIA (ALSO CARRIED BGLOBE). UPI (CHITRIB) REPORTS FORMIN PARK, IN EFFECT, SAID US/ROK HAVE PATCHED UP MOST DIFFERENCES; "RANKING FOREIGN MINISTRY OFFICIAL" QUOTED SAYING, "PROBLEMS PENDING BETWEEN THE TWO COUNTRIES HAVE BEEN CLEARED IN GENERAL, IF NOT TOTALLY."

NYT'S HALLORAN INTERVIEWS AMB HAHM ON INFLUENCE-PEDDLING AFFAIR. HAHM STATES RESULTANT DAMAGE "RATHER SERIOUS," CAN BECOME MORE SERIOUS IF US/ROK DON'T DO MORE PRESERVE/PROTECT BASIC BILATERAL RELATIONS. AMB EXPRESSED FRUSTRATION W/STATE DEPT FOR ITS ALLEGED FAILURE GIVE ROK EMB HELP HANDLING SITUATION. DOS "SPOKESMAN" HAD NO COMMENT ON THIS POINT. HAHM ASSERTED HABIB GAVE HIM "AUTHORITATIVE ASSURANCES" BLUE HOUSE BUGGINGS "NEVER DID TAKE PLACE IN THE PAST, AND CERTAINLY ARE NOT TAKING PLACE NOW"; BUT AMB DECRIED THAT ASSURANCES PRIVATE RATHER THAN PUBLIC.

CATHOLIC/PROTESTANT/JEWISH RELIGIOUS LEADERS HARSHLY DENOUNCE REV MOON/UNIFICATION CHURCH FOR "ANTI-SEMITIC, ANTI-CHRISTIAN AND ANTI-DEMOCRATIC" BELIEFS/TEACHING/PRACTICES (NYT'S WHITE, NYDN'S ORESKES, WP'S CLAIBORNE).

JOC CARRIES HALF-PG AD FOR "KOTRA TRADE SHOW, SPRING '77", TO BE HELD APR 7-MAY 12, 1977 AT SEOUL.

6. AUSTRALIA

WSJ DOES PIECE RE CAPABILITY US METALS INDUSTRY TO BEAR INTERRUPTION VARIOUS MINERAL IMPORTS- NOTES DECISION CERTAIN INTL BAUXITE ASSOC (IBA) RAISE PRICES GIVES US ALUMINUM FIRMS "HIGH INCENTIVE" TO BEGIN TRANSFER BAUXITE ORDERS TO AUSTRALIA/GUINEA/BRAZIL.

7. CARTER ADMIN  
UNCLASSIFIED

PAGE 05 STATE 312656

ACCORDING WP'S KAISER, RICHARD HOLBROOKE IS REPORTED VANCE CHOICE TO BE EA ASSIST SEC.

COMMENT AND ANALYSIS

#### 8. INDOCHINA

REUTERS NEWSFEATURE FROM SINGAPORE NOTES THAT THE FIRST PEACETIME CONGRESS OF THE VIETNAM COMMUNIST PARTY CONFIRMS THE ECLIPSE OF THE VC. SAYS THAT 20 MONTHS AFTER VICTORY THERE APPEARS TO BE DISSENSION WITHIN RANKS OF COMMUNISTS AND POINTS TO STATEMENT OF LE DUAN ON NEED TO EXPEL THOSE "PARTY MEMBERS TOO WEAK IN POLITICAL CONSCIOUSNESS..." FUTURE PURGE LIKELY TO AFFECT THOSE WHO FOUGHT IN SOUTH RATHER THAN THOSE IN NORTH. NEW POLITBURO INCLUDES NAMES OF ONLY TWO WHO WERE IDENTIFIED WITH VC. ALSO ONLY SOUTHERNER AMONG SEVEN VICE-PREMIERS ABSENT FROM POLITBURO.

COLUMNIST JEFFREY HART (BALT NA) SAYS CHRISTMAS BOMBING OF HANOI AND HAIPHONG WAS NIXON'S "FINEST HOUR." REFERS TO RECENT ARTICLES BY NORMAN HANNAH SAYING NORTH HAS ALWAYS BEEN MAINSTAY OF FIGHTING IN SOUTH. HAD LBJ CORRECTLY IDENTIFIED NORTH AS AGGRESSOR OUR ACTIONS MIGHT HAVE BEEN DIFFERENT AND MORE SUCCESSFUL.

CSM (MORITZ) SAYS THREE OF THE MOST IMPORTANT ACTIONS OF THE RECENTLY CONCLUDED VIET CP CONGRESS WERE DOUBLING THE SIZE OF THE CC; INCREASING SIZE OF POLITBURO AND ESTABLISHING AN INSPECTION COMMITTEE TO LOOK INTO CORRUPTION. ALL THESE AIM AT BRINGING IN FRESH TALENT WHILE NOT UNDERCUTTING ESTABLISHED LEADERSHIP.

#### 9. CHINA

WP'S MATHEWS (HK) OBSERVES HUA'S STATE-OF-NATION ADDRESS UNCLASSIFIED

PAGE 06 STATE 312656

TO AGRIC CONFERENCE PROVIDED PERHAPS MOST CANDID ASSESSMENT TO DATE OF PRC'S ECON TROUBLES/RECENT NATURAL DISASTERS. SEES HUA'S REMARKS ABOUT CONTINUING PARTY PURGE INDICATING YOUNGER CADRES WILL BEAR BRUNT; NOTES SIGNS THAT HUA SPEECH, PLUS MAO'S 20-YEAR-OLD ADDRESS AND HUA'S TALK LAST YEAR TO TACHAI CONFERENCE WILL NOW BECOME KEY STUDY DOCUMENTS IN PRC (EXCERPTED IN GLOBE, PHINQ).

CSM'S MORITZ (HK) FINDS THAT HUA'S SPEECH APPEARED OFFER "GANG OF FOUR'S" FOLLOWERS BOTH CARROT/STICK-- GIVING THEM "BREATHING SPACE" TO READJUST THINKING/ACTIONS, BUT WITH WARNING THEY WILL BE IN TROUBLE IF FAIL PAY HEED.

ZORZA (WP) SAYS MORE TO PUBLICATION NOW OF '56 MAO SPEECH THAN MEETS EYE. CITES REAPPEARANCE WU TEH, WHOSE RECORD SUGGESTS HE IS "AT ODDS WITH HUA"; FEELS USE OF MAO SPEECH TO OPPOSE HUA'S CALL FOR PERSECUTION OF RADICALS SUGGESTS WU TEH POLITBURO FACTION STILL STRONG ENOUGH TO HAVE FORCED ON HUA/MIL SUPPORTERS PUBLICATION OF DOCUMENT IN SOME WAYS UNWELCOME TO THEM.

SUN'S WU (HK) CONTENTS "THERE IS NO DOUBT" HUA HAD SOVIET IN MIND WHEN HE DECLARED THAT HAD "GANG OF FOUR" SPLIT COUNTRY, THERE WOULD HAVE BEEN INVASION BY "FOREIGN POWER" TO KEEP RADICALS AS PUPPETS.

ACCORDING LAT'S LESLIE (HK 12/28), PUBLICATION NOW OF 20-YEAR-OLD MAO SPEECH MAY INDICATE CURRENT PRC LEADERSHIP'S IDENTIFICATION WITH "THE MODERATE" MAO. CITES STUART SCHRAM'S COMMENT THAT SPEECH FORESHADOWED "HUNDRED FLOWERS" CAMPAIGN IN WHICH CHINESE CALLED UPON CRITICIZE GOVT--AND THIS FACET OF SPEECH IS PROBABLY ONE REASON WHY PUBLISHED NOW.

CSM'S HK CORRESPONDENT SAYS APPEARS LIKELY TENG WILL BE REHABILITATED, BUT HOW FAST/FAR SEEMS MATTER OF DISPUTE IN UNCLASSIFIED

PAGE 07 STATE 312656

PRC LEADERSHIP--AND POSES SOME DELICATE PROBLEMS FOR HUA EFFORTS TO CONSOLIDATE LEADERSHIP.

IN HK, CDN'S BEECH (12/25-26) CONCLUDES: PRC POWER STRUGGLE DID NOT END WITH ARREST "GANG OF FOUR," WILL NOT END UNTIL DECISION REACHED ON WHAT DO WITH TENG--AND PERHAPS NOT EVEN THEN; HUA SEEMS INCREASINGLY SHAKY; ECON PRODUCTION HAS SUFFERED SEVERELY, WILL TAKE MORE SERIOUS DROP UNLESS PEKING MEETS "REVOLUTION OF RISING EXPECTATIONS"; CONFIRMING MAO'S WORST FEARS, CHINESE BEHAVING LESS LIKE REVOLUTIONARIES, MORE LIKE CHINESE--WANT MORE, IF DON'T GET IT, WON'T WORK.

ACCORDING BEECH, TENG IS IMMEDIATE PROBLEM, WITH EVERY INDICATION HE/POWERFUL CRONIES WIELDING AX FROM BEHIND SCENES TO BRING DOWN ENEMIES WHO SOUGHT DESTROY HIM. NOT INCONCEIVABLE THAT TENG HAS STAKED OUT CLAIM ON PREMIERSHIP; IF SO, PROBLEM MAY NOT BE WHAT DO WITH TENG, BUT WHAT DO WITH HUA.

#### 10. PHILIPPINES

SUN WELCOMES "GREAT HOPE" IN MARCOS' ANNOUNCEMENT OF AGREEMENT WITH MOSLEMS TO CREATE AUTONOMOUS REGION; BUT CAUTIONS REMAINS BE SEEN WHETHER PACT WILL STICK. SUGGESTS ONE PAST PROBLEM IS THAT IF OPPRESSED MINORITY WINS CIVIL LIBERTIES,

FILIPINO MAJORITY MIGHT EXPECT NO LESS.  
HEARST ANALYST JOHN HALL (BALT NA 12/20) REPORTED GOP'S  
TOP INTELL OFFICER (MAJ GEN FABIAN VER) IN US SEVERAL  
WEEKS, AND SOURCES IN FILIPINO EXILE COMMUNITY BELIEVE HE  
MAY BE BEEFING UP HIS AGENTS' ACTIVITIES HERE. SAID VER  
SEEN IN NY/CHICAGO/OTHER CITIES, HERE IN CONNECTION WITH  
EMELDA'S NY TRIP. NOTED PHILS INTELL NETWORK IN US CON-  
SIDERED FAR SMALL/MORE SUBTLE THAN KCIA; BUT FILIPINO  
EXPATRIOTS SAY THEY HAVE BEEN SUBJECTED TO PHOTOGRAPHIC  
SURVEILLANCE/PHONED DEATH THREATS/WARNINGS OF RETALIATION  
UNCLASSIFIED

PAGE 08     STATE 312656

AGAINST RELATIVES IN PHILS/VARIOUS ECON REPRISALS BECAUSE  
OF THEIR CAMPAIGN AGAINST MARTIAL LAW.

11. KOREA

HEARST'S BALT NA (12/20) CALLS FOR HOUSE REPS PUT TEETH  
INTO CODE ETHICS, AND FOR HOUSE ETHICS CMTE USE OPPORTUNITY  
SK INFLUENCE-PEDDLING PROBE TO REDEEM ITSELF IN EYES  
VOTERS. WANTS LIST ALL RECEIVING TONGSUN PARK "GIFTS" MADE  
PUBLIC.

12. INDONESIA

CSM'S MORITZ DOES TWO-PG FEATURE RE MINERAL-RICH INDONE-  
SIA'S UPHILL BATTLE AGAINST ECON WOES THAT TROUBLE SOCIETY  
AS COUNTRY HEADS FOR SPRING 77 GENERAL ELECTION.

13. GENERAL

CSM RAISES PLIGHT OF 3RD WORLD DEVELOPING COUNTRIES,  
STATING CARTER WILL HAVE    DECIDE WHETHER MAINTAIN OR  
"PREFERABLY INCREASE" US PARTICIPATION IDA FUNDING. FEELS  
MUST BE "COMBINATION OF GENEROUS SUPPORT" BY INDUSTRIALIZED  
COUNTRIES, WITH US RESUMING SOME OF LEADERSHIP IT HAS LET  
GO BY, AND OF EFFORTS BY COUNTRIES IN NEED TO PUT OWN  
HOUSES IN ORDER.

ADD-NEWS

14. CHINA

ASHAI QUOTES NPC'S CHEN YI-SUNG IN 8-HOUR INTERVIEW AS  
OFFERING SINO-US NORMALIZATION FORMULA: US WOULD ADD TO  
DOCUMENTS RECOGNIZING PRC DECLARATION OF GRAVE CONCERN FOR  
MAINTENANCE W PAC PEACE. CHEN IMPLIED THIS WOULD ALLEVIATE  
US FEARS TAIWAN MIGHT BE ATTACKED BY PEKING AFTER US-ROK  
UNCLASSIFIED

PAGE 09     STATE 312656

TIES/SECURITY PACT SEVERED. CHEN ADDED THAT PRC WILL NOT  
COMPROMISE ON DEMAND US TROOPS BE WITHDRAWN FROM TAIWAN,  
US DIPLO TIES TO TAIPEI ENDED. CHEN ALSO SAID PEKING  
PREPARED IMPROVE RELS WITH SOVIET; BUT RUSSIANS REFUSE

AGREE ON BOUNDARY, SO NO SUBSTANTIAL PROGRESS IN TALKS  
(AP TOKYO).

15. HONG KONG

SUN'S ISAACS (HK) REPORTS THAT WITH PRC PERMISSION, HK  
YACHTSMEN REVIVED OLD TRADITION OVER CHRISTMAS WEEKEND BY  
RACING TO MACAO AND BACK--FIRST TIME RACE HELD IN 24 YEARS.

16. PHILIPPINES

MARCOS SAID WEDNESDAY HIS GOVT NOT YET DECIDED WHETHER HOLD  
PLEBISCITE IN 13 SOUTHERN PROVINCES ON FORMING AUTONOMOUS  
MOSLEM REGION (AP MANILA).  
ROBINSON

UNCLASSIFIED

<< END OF DOCUMENT >>

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 16 SEP 1999  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESS SUMMARIES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 DEC 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976STATE312656  
**Document Source:** ADS  
**Document Unique ID:** 00  
**Drafter:** EA/P:STAFF:VC  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** n/a  
**Film Number:** D760475-0663  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19761293/baaaercx.tel  
**Line Count:** 347  
**Locator:** TEXT ON-LINE, TEXT ON MICROFILM  
**Office:** ORIGIN EA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 7  
**Previous Channel Indicators:**  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** vogelfj  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 07 JUN 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <07 JUN 2004 by chengls>; APPROVED <27 DEC 2004 by vogelfj>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** DECEMBER 29 EA PRESS SUMMARY  
**TAGS:** PFOR, XC, US  
**To:** ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS  
MOSCOW  
MULTIPLE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006